# BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

<b>DOCKET NO. 2012</b> C		
IN RE:	)	
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Application of Blue Jay Wireless, LLC	)	
For Designation as an Eligible	)	APPLICATION
<b>Telecommunications Carrier for the</b>	)	
<b>Purpose of Offering Lifeline Service</b>	)	
on a Wireless Basis	)	

# **APPLICATION OF BLUE JAY WIRELESS, LLC**

Blue Jay Wireless, LLC ("Blue Jay" or the "Company"), by its counsel, respectfully submits this Application for Designation as an Eligible Telecommunications Carrier ("ETC") pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the "Act"), Section 54.201 *et seq.* of the Rules of the Federal Communications Commission ("FCC"), and S.C. Code Regs. § 103-690. Blue Jay requests that the South Carolina Public Service Commission ("Commission") grant it designation as a wireless ETC in South Carolina for the sole purpose of receiving federal universal service Lifeline support in the geographic areas specified in this Application. Blue Jay does not request ETC status for the purpose of receiving support from any of the other Universal Service Funds ("USF"). To the extent that certain provisions of S.C. Code Regs. § 103-690 differ slightly from more recently adopted Rules of the FCC and the FCC's *Lifeline Reform Order*, Blue Jay requests that the Commission waive those provisions pursuant to the authority granted by S.C. Code Regs. § 103-803. The grant of such a waiver is appropriate and not contrary to the public interest.

As discussed in more detail below, Blue Jay meets the statutory and regulatory requirements for designation as an ETC and is able and prepared to offer Lifeline-supported services throughout its designated service area in South Carolina. Granting ETC status to Blue Jay will benefit the public interest by making the Company's services available to a broad range of low-income consumers. Because the availability of Blue Jay's services so clearly serves the interests of South Carolina consumers, Blue Jay respectfully requests that the Commission grant this Application expeditiously. In support of this Application, Blue Jay provides the following information:

#### I. OVERVIEW OF APPLICANT AND SERVICE OFFERINGS.

Blue Jay is a Texas limited liability company with principal offices at 5010 Addison Circle, Addison, TX 75001. The Company is preparing a foreign limited liability company registration with the South Carolina Secretary of State. Blue Jay does not provide service to customers in South Carolina at present.

Blue Jay has applications pending for ETC designation in the following states: Arizona, Colorado, Hawaii, Minnesota, Oklahoma, Pennsylvania, Utah, Washington and Wisconsin. In addition, Blue Jay is awaiting designation as an ETC by the FCC in the states of Alabama, Connecticut, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, and Virginia, as well as the District of Columbia. Further, the Company is preparing to file petitions for ETC designation in additional states. None of Blue Jay's petitions for ETC designation have been denied.

Blue Jay operates as a common carrier, providing wireless mobile phone services to consumers in Texas and will provide this common carrier service in many states, including South Carolina. Blue Jay will provide domestic and international voice and data services,

primarily to low-income consumers. As a reseller of wireless services, Blue Jay will purchase wireless network infrastructure and wireless transmission facilities from Sprint and Verizon Wireless on a wholesale basis and resell these services to its customers. Blue Jay will provide affordable prepaid mobile phone service, including calling and text messaging, along with user-friendly handsets and high quality customer service. Blue Jay's products and plans will be specially geared toward serving lower income communities, and its service models and pricing plans will reflect this mission. The Company will not require service contracts from its customers and it will always ensure competitively low pricing for its services and products. By providing affordable service, Blue Jay can reach out to those who are often ignored by traditional carriers.

Blue Jay will manage all aspects of the customer experience, including setting service pricing, handset selection, marketing materials, and live customer service. The Company's prepaid, budget-friendly pricing will give many low-income consumers the option of having basic mobile phone service without the burden of hidden costs, varying monthly charges, or contractual commitments. Customers will be able to customize their mobile phone service to suit their needs with Blue Jay's pay-as-you-go rechargeable mobile phone plans.

Blue Jay's customer base likely will be low-income consumers, and the majority are unlikely to have phone service of any kind prior to enrollment. Blue Jay's customers will depend on and benefit greatly from Blue Jay's inexpensive and flexible pricing plans. Blue Jay will not impose credit checks nor will it require any deposits or contractual commitments. Most of Blue Jay's customers likely will turn to Blue Jay because they cannot afford the postpaid services provided by traditional wireless carriers. Blue Jay will affirmatively reach out to the

Blue Jay will purchase the services of Sprint and Verizon Wireless through an intermediary such as Natel Networks, LLC.

low-income sector of the consumer base to offer attractive and affordable communications options. As such, Blue Jay will contribute to the expansion of mobile wireless services for low-income consumers, and intends to seek ETC designation in additional states and territories so that it may continue to expand the service options for these consumers.

# II. BLUE JAY SATISFIES THE COMMISSION'S AND THE FCC'S REQUIREMENTS FOR ETC DESIGNATION.

Applicants seeking ETC designation in South Carolina are evaluated under the standards set by the FCC and the Commission. Section 214(e)(2) of the Act provides that, upon request and consistent with the public interest, convenience and necessity, the Commission may designate more than one common carrier as an ETC in areas served by a rural telephone company and shall do so with respect to all other areas, provided that the requesting carrier (i) offers services that are supported by federal universal service support mechanisms and (ii) advertises the availability of such services.<sup>2</sup> S.C. CODE REGS. § 103-690 requires that applications for ETC designation be granted only if the designation will further federal and state universal service goals. FCC rules and Commission regulations impose additional requirements on a carrier requesting ETC designation. As demonstrated below, Blue Jay satisfies each of these requirements.

### 1. Blue Jay Will Operate as a Common Carrier.

Blue Jay will operate as a common carrier as defined in 47 U.S.C. § 153(10) in South Carolina and thus is eligible for designation as an ETC. The FCC has consistently held that providers of wireless services are to be treated as common carriers for regulatory purposes.

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<sup>&</sup>lt;sup>2</sup> 47 U.S.C. §214(e)(2); see also 47 C.F.R. § 54.201(d).

Moreover, Blue Jay is a CMRS provider. Section 332(c)(1)(A) of the Act states that CMRS providers will be regulated as common carriers.<sup>3</sup>

# 2. Blue Jay Will Provide the Services Designated for Lifeline Support.

The FCC has determined that "voice telephony services" shall be supported by the federal USF program.<sup>4</sup> Eligible voice telephony services must provide:

- voice grade access to the public switched network;
- local usage;
- access to emergency services; and
- toll limitation for qualifying low-income consumers.

Upon receiving the requested designation as an ETC, Blue Jay will provide each of these required services throughout its designated service area, as described in more detail below. Indeed, Blue Jay will provide all of these services in each state in which it receives ETC designation. Blue Jay's Lifeline service offerings will be provided pursuant to the Company's established rates, as provided in this Application, and its terms and conditions of service, which are available at Blue Jay's website at <a href="http://www.bluejaywireless.com/terms/">http://www.bluejaywireless.com/terms/</a>. Blue Jay will offer Lifeline subscribers attractive voice telephony service plans. The Company's Lifeline subscribers will be eligible to receive the same service plans that Blue Jay generally will make available to the public.

### A. Means of providing Lifeline service.

The Company will provide service via resale of underlying carrier services provided by Verizon Wireless and Sprint. Section 214(e)(1)(A) of the Act provides that an ETC must provide services "using its own facilities or a combination of its own facilities and resale of

<sup>&</sup>lt;sup>3</sup> See 47 U.S.C. § 332(c)(1)(A).

<sup>&</sup>lt;sup>4</sup> 47 C.F.R. § 54.101(a).

another carrier's services."<sup>5</sup> Pursuant to the FCC's *Lifeline Reform Order*, however, resellers are granted blanket forbearance from this facilities requirement, subject to conditions, in connection with limited ETC designation to participate in the Lifeline program.<sup>6</sup> The FCC conditioned blanket forbearance on the reseller's compliance with certain ETC obligations, including providing 911 and E911 service regardless of activation status and prepaid minutes available, providing E911-compliant handsets, and replacing E911 non-compliant handsets at no charge to the Lifeline customer.<sup>7</sup> In addition, the reseller must adhere to an FCC-approved compliance plan that includes specific information about the reseller's service offerings and that outlines the measures that the reseller will take to implement the obligations established in the *Lifeline Reform Order*.<sup>8</sup>

Blue Jay commits to compliance with all of these conditions. To this end, on May 11, 2012, Blue Jay submitted to the FCC a compliance plan that meets the requirements of the *Lifeline Reform Order*. On August 14, 2012, Blue Jay most recently filed a revised compliance plan with the FCC. A copy of this revised plan ("Compliance Plan") is attached hereto as **Exhibit A**. Upon FCC approval of its Compliance Plan, Blue Jay will not be required to meet the "own facilities" requirement of Section 214(e)(1)(A). Consequently, the Company's proposal to operate as an ETC in South Carolina using resold services will be entirely compliant with FCC requirements. To the extent that the Company's proposal to operate using purely

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<sup>&</sup>lt;sup>5</sup> 47 U.S.C. § 214(e)(1)(A).

See Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report And Order and Further Notice Of Proposed Rulemaking, 27 FCC Rcd 6656, ¶ 368 (2012) ("Lifeline Reform Order").

<sup>&</sup>lt;sup>7</sup> See id., at ¶ 373.

See id., at ¶ 368.

Blue Jay's certification by affidavit regarding its proposed resale operations is appended as **Exhibit B**.

resold services is inconsistent with S.C. Code Regs. § 103-690(C)(1)(C)(6), the Company requests waiver of same due to its compliance with FCC requirements.

Pursuant to its ETC designation, Blue Jay will provide supported services as follows.

#### B. Voice Grade Access.

The FCC has stated that voice-grade access consists of the ability for a user to make and receive telephone calls within a specified bandwidth.<sup>10</sup> Blue Jay will provide this service via resale of Verizon Wireless and Sprint mobile services to low-income customers in its designated service area.

#### C. Local Usage.

The FCC's rules require a petitioner for ETC designation to demonstrate that its proposed local usage plan is comparable to one offered by the incumbent local exchange carrier ("ILEC") in the same designated service area. The determination of comparability requires a case-by-case review, taking into account value-added capabilities and services included within a service plan.

The Company will offer two basic Lifeline service packages throughout its designated service area in South Carolina, except for Tribal areas where the Company will offer two plans that are only available to Tribal residents. The Company's basic Lifeline programs are listed below.

**125 anytime prepaid minutes per month**, with rollover, and with text messaging assessed at a rate of one (1) minute per text message for sending and one (1) minute per text message for receiving text messages. This plan will be available throughout the Company's South Carolina service area except in Tribal areas.

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See Federal-State Joint Board on Universal Service, CC Docket No. 96-45, First Report and Order, 12 FCC Rcd 8776, 8810-11 (1997).

- **250 anytime prepaid minutes per month**, without rollover, and with text messaging assessed at a rate of one (1) minute per text message for sending and one (1) minute per text message for receiving text messages. This plan will be available throughout the Company's South Carolina service area except in Tribal areas.
- **Tribal Resident Lifeline Unlimited Plan.** Each month the customer will receive unlimited anytime voice minutes for \$5.00 per month plus fees and taxes. Text messaging will not be available with the unlimited talk plan. There are no rollover minutes with this plan as minutes are unlimited. This plan will only be available to Tribal residents.
- **Tribal Resident Lifeline 1000 Plan.** Each month the customer will receive 1,000 anytime voice minutes or 1,000 text messages for \$1.00 per month plus fees and taxes. Text messaging will be assessed at a rate of 1 minute per text message for sending and 1 minute per text message for receiving text messages. There are no rollover minutes with this plan. Unused minutes will expire each month on the service expiration date. This plan will only be available to Tribal residents.

All plans will include nationwide domestic long-distance at no extra per-minute charge, as well as caller ID, voice mail, call waiting and three-way calling. Therefore, Blue Jay's usage plan is different from, but comparable to, one offered by the ILEC in the same designated service area.

For all Blue Jay Lifeline plans, customer service (611) and emergency (911) calls will be free, regardless of service activation or availability of minutes, and will not count against the customer's airtime. Directory assistance calls (411) will be free; however, they will count as airtime minutes of usage. Lifeline customers can purchase additional bundles of minutes for as low as \$0.05/minute depending on the minute package purchased. For example, customers can purchase a 200-minute package for \$10.00. Airtime "top-up" minutes will be available for purchase at the Company's retail locations and on its website.

In addition to free voice services, customers can select either a free wireless handset or purchase an upgraded phone, such as a smartphone. For those customers choosing to upgrade to a smartphone, data can be added to any phone plan starting at \$0.10 per megabyte – a

price that can be reduced on a "per megabyte" basis when the customer purchases multiple megabytes of data. In this manner, the Company will enable low-income customers to add affordable data usage to their free voice/text minutes, thereby supporting greater smartphone utilization, consistent with the Commission's goal of promoting broadband access to all Americans.

Additional information regarding the Company's plans, rates and services can be found on its website, <a href="http://www.bluejaywireless.com">http://www.bluejaywireless.com</a>.

### D. Access to emergency services.

The Company will provide access to emergency services provided by local government or public safety officials, including 911 and E911 where available. As noted, calls to 911 emergency services will always be free and will be available regardless of service activation status or availability of minutes. In addition, Blue Jay will comply with any FCC or Commission requirements regarding customer access to 911 and E911 services as well as the provision of E911-compatible handsets, specifically including those obligations imposed as part of the FCC's forbearance grant conditions.

# *E. Toll limitation for qualifying low-income consumers.*

In its initial operations, Blue Jay will not provide toll limitation service ("TLS"). Like most wireless carriers, Blue Jay does not differentiate domestic long distance usage from local usage and all usage is paid for in advance. Pursuant to the *Lifeline Reform Order*, subscribers to such "all-distance" services are not considered to have voluntarily elected to receive TLS. <sup>11</sup> If, in future, Blue Jay should offer a Lifeline service which differentiates

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See Lifeline Reform Order, ¶ 230.

between local usage and long distance usage, the Company commits to provide TLS to customers of that service.

#### F. Service area.

Sections 214(e)(2) and 214(e)(5) of the Act provide that ETC designations shall be made for a "service area," defined as a geographic area established by the state commission. The Company seeks certification to operate as an ETC in the geographic service areas throughout South Carolina where its underlying carriers, Sprint and Verizon Wireless, provide coverage. Additional detail for these service areas will be provided through a supplement to this Application upon confirmation of the wire centers included in the coverage area. Because it is only seeking ETC designation for purposes of receiving low-income support, the Company requests that the Commission waive the limited portion of S.C. Code Regs. § 103-690(b) requiring that a "creamskimming analysis" be performed for a designation request below the study area of a rural telephone company. <sup>12</sup>

# 3. Blue Jay Will Advertise its Lifeline Service Offerings.

Blue Jay will advertise the availability of its services and charges in a manner reasonably designed to reach Lifeline-eligible consumers, as required by Section 54.201(d)(2) and 54.405(b) of the FCC Rules as well as Commission regulations. The Company intends to advertise its Lifeline services using media of general distribution. Moreover, Blue Jay will expand its advertising efforts as necessary to ensure that Lifeline-eligible customers are aware of

Consistent with FCC holdings, there is no need for a "creamskimming" analysis in connection with Blue Jay's Application because the Company is seeking ETC designation only for purposes of receiving federal low-income support. *See*, *e.g.*, *Virgin Mobile USA*, *L.P.*, Order, 24 FCC Rcd 3381, ¶ 39 n. 101 (2009).

<sup>&</sup>lt;sup>13</sup> 47 C.F.R. §§ 54.201(d)(2), 54.405(b); S. C. CODE REGS. 103-690.

See 47 C.F.R. § 214(e)(1)(B) and 47 C.F.R. § 54.201(d)(2).

the Company's service offerings.<sup>15</sup> Consistent with S.C. Code Regs. § 103.690(C)(a)(1)(C), Blue Jay provides a two-year plan for the Company's advertising and outreach program in South Carolina as **Exhibit C**.<sup>16</sup> An example of Blue Jay's marketing is found in Exhibit C of the Company's most recently revised Compliance Plan (**Exhibit A**).

In addition, Blue Jay will comply with the FCC's revised rules regarding information to be included in marketing materials, including FCC revised rule section 54.405(c). Specifically, Blue Jay's marketing materials will state, in easily understood language, that: (i) the service is a Lifeline service; (ii) Lifeline is a government assistance program; (iii) the service may not be transferred to someone else; (iv) consumers must meet certain eligibility requirements before enrolling in the Lifeline program; (v) the Lifeline program permits only one Lifeline discount per household; (vi) documentation is necessary for enrollment; and (vii) Blue Jay is the provider of the services. Moreover, Blue Jay's Lifeline application/certification form <sup>17</sup> will state that Lifeline is a federal benefit and that consumers who willfully make a false statement in order to obtain the Lifeline benefit can be punished by fine or imprisonment or can be barred from the program. Blue Jay's Compliance Plan contains an example of the type of advertising materials that Blue Jay intends to use in South Carolina.

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<sup>&</sup>lt;sup>15</sup> See 47 C.F.R. § 54.405(b).

The Company's certification by affidavit regarding its proposed advertising is appended as **Exhibit B**.

See Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Erratum, ¶ 63 (rel. May 16, 2012).

# 4. Blue Jay Complies with the Commission's and the FCC's Additional Obligations for ETCs.

A. Blue Jay certifies that it will comply with the applicable FCC service requirements.

Per the requirements of 47 CFR § 54.202(a)(1)(i), Blue Jay certifies that it will comply with the service requirements applicable to the low-income support it receives as a result of designation as an ETC for the purposes of receiving Lifeline.

B. Blue Jay has the ability to remain functional in emergency situations 18

Blue Jay's Lifeline services will remain functional in emergency situations. As discussed herein, Blue Jay will utilize the extensive and well-established Sprint and Verizon Wireless networks and facilities to provide Blue Jay's mobile services. The Company believes that the Sprint and Verizon Wireless networks are capable of managing traffic spikes that may occur during emergency situations and can reroute traffic in the event of damaged facilities. Blue Jay also understands that each carrier has sufficient back-up power to ensure functionality if its external power supply is unavailable. Indeed, both companies have repeatedly certified to the FCC that their networks function in emergency situations. <sup>19</sup> Sprint and Verizon Wireless will provide the same functionality to Blue Jay and Blue Jay's customers as these carriers provide to themselves and their own customers.

C. Blue Jay will satisfy applicable consumer protection and service quality standards.

The FCC's rules and S.C. Code Regs. § 103-690(C)(1)(C)(3) require the petitioner to demonstrate that it satisfies applicable consumer protection and service quality

See, e.g., 47 C.F.R. § 54.202(a)(2), S.C. Code Regs. § 103-690(C)(1)(C)(2).

See, e.g., Sprint Nextel Corporation Verified Filing in Compliance with 47 C.F.R. § 54.209, CC Docket No. 96-45, at 6 (filed Sept. 30, 2011); Alltel Communications, LLC d/b/a Verizon Wireless 2011 Eligible Telecommunications Carrier Certification and Annual Report for the State of Georgia / Study Area Code (SAC) 229004, WC Docket No. 09-197, at 7-9 (filed Sept. 30, 2011).

standards. The FCC and this Commission have determined that a wireless petitioner's commitment to comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service ("CTIA Consumer Code") will satisfy this requirement. Blue Jay commits to comply with the CTIA Consumer Code to ensure that the Company offers its subscribers the highest level of protection and quality service. <sup>20</sup>

Blue Jay's pledge to provide quality service and to comply with the CTIA Consumer Code evidences Blue Jay's commitment to satisfy all of the consumer protection and service quality standards applicable to Lifeline services. The Company will make every effort to resolve expeditiously complaints received by the Commission.

D. Blue Jay is financially and technically capable of providing Lifeline services in compliance with the FCC's rules.

The FCC's rules, as revised,<sup>21</sup> require ETC petitioners to demonstrate financial and technical capability to comply with the FCC's Lifeline service requirements.<sup>22</sup> Among the factors to be considered are: a carrier's prior offering of service to non-Lifeline subscribers, the length of time the carrier has been in business, whether the carrier relies exclusively on Lifeline reimbursement to operate, whether the carrier receives revenues from other sources; and whether the carrier has been the subject of an enforcement action or ETC revocation proceeding.

Through its affiliates, Blue Jay has provided marketing services, including those directed to low-income customers, since 2004. One of the Company's affiliates, Splash Media, LP, is among the largest providers of full-service social media marketing services in the world. Another affiliate, Link Distributors, LLC, is a leading distributor of wireless handsets and

See, e.g., 47 C.F.R. § 54.202(a)(3). Blue Jay has not obtained certification of its compliance with the CTIA Consumer Code from CTIA. To the best of Blue Jay's knowledge, CTIA does not presently certify carrier compliance with the CTIA Consumer Code.

See, e.g., revised 47 C.F.R. § 54.202(a)(4).

<sup>&</sup>lt;sup>22</sup> Lifeline Reform Order, ¶¶ 387-388 (revising 47 C.F.R. § 54.202(a)(4)).

Lifeline enrollment for ETCs. Both businesses have substantial revenues with long-term profitability, are in good standing with all of their vendors and have been providing customers with services for a combined total of nine (9) years. As a core part of its marketing strategy, Blue Jay will be actively marketing to non-Lifeline customers, targeting the prepaid, credit challenged and underbanked sector. In fact, on September 7, 2012, Blue Jay began selling non-Lifeline prepaid wireless service in Texas. Consequently, Blue Jay will not be relying exclusively on Lifeline reimbursement for the Company's operating revenues. Blue Jay also has access to other financial resources including substantial cash reserves from its owners. The Company has not been subject to enforcement sanctions or ETC revocation proceedings in any state.

E. Blue Jay will comply with FCC requirements for certification and verification.

Blue Jay is aware of the FCC's current requirements regarding certification and verification of a customer's qualification for Lifeline service and has implemented procedures to ensure these requirements are met. As described in Blue Jay's Compliance Plan, the Company has set in place detailed and comprehensive procedures to address customer certification and verification requirements as well as requirements concerning de-enrollment and duplication of service. These procedures comply with the FCC's recently-revised customer certification and verification requirements and, in fact, go beyond those requirements.<sup>23</sup> Blue Jay also will comply with both the FCC's annual certification and reporting requirements and the FCC's measures to prevent waste, fraud and abuse of Lifeline services.<sup>24</sup> In particular, Section I.E. of

<sup>23</sup> See 47 C.F.R. § 54.410.

See 47 C.F.R. §§ 54.416, 54.422; See also In re: Telecommunications Carriers Eligible for Universal Service Support; Virgin Mobile USA, L.P. Petition for Designation as an Eligible Telecommunications Carrier in the State of Alabama, et al., 25 FCC Rcd 17797, ¶ 24 (2010).

Blue Jay's Compliance Plan discusses steps that the Company will take to ensure activation of service and to implement de-enrollment in the event of inactivity for a period of 60 days.

F. Blue Jay will comply with Commission and FCC requirements for fees, charges, and reports.

Blue Jay will comply with all applicable Commission and FCC requirements with respect to fees, charges, and reports. The Company will not collect service deposits for its plans and will not charge a number-portability fee for Lifeline accounts.<sup>25</sup>

Blue Jay will timely pay all applicable federal, state, and local regulatory fees, including universal service and E911 fees. Furthermore, Blue Jay will comply with the FCC's annual reporting requirements for ETCs as set forth in Section 54.422 of the FCC's Rules, <sup>26</sup> and with the Commission's annual reporting requirements, as set forth in S.C. Code Regs. 103-690.1.

G. Blue Jay will comply with Commission and FCC requirements on relinquishment of ETC designation.

If at some point in the future, Blue Jay seeks to relinquish its ETC designation, Blue Jay will comply with the requirements of 47 C.F.R. § 54.205.

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See 47 C.F.R. § 54.401(c), (e).

<sup>&</sup>lt;sup>26</sup> See 47 C.F.R. § 54.422.

#### III. DESIGNATED CONTACT INFORMATION.

The legal name, address and telephone number of the Company and its designated contact person is:

Blue Jay Wireless, LLC 5010 Addison Circle Addison, TX 75001 (972) 788-8860

Designated contact person: David Wareikis, Chief Executive Officer

The name, address and telephone number of the Company's attorney is:

John J. Pringle, Jr. (SC Bar No. 11208) ELLIS, LAWHORNE & SIMS, PA P.O. Box 2285 Columbia, South Carolina 29202 Telephone: (803) 343-1270

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#### IV. GRANT OF THIS APPLICATION WILL SERVE THE PUBLIC INTEREST.

Designation of Blue Jay as an ETC for Lifeline purposes will further the Commission's universal service goals and thus benefit South Carolina consumers, consistent with S.C. Code Regs. § 103-690(C)(b). Specifically, the Company will offer prepaid low cost wireless service to low-income consumers, thereby increasing consumer choice. In addition, increasing customer choice will spur wireless ETC providers to compete for eligible customers by providing the highest value (*e.g.*, higher quality handsets, superior customer service). Further, grant of the Application will provide consumers with access to high quality service and the benefits of a mobile service.<sup>27</sup> The mobility of the service will be particularly attractive to Lifeline-eligible consumers who may frequently change residences or work in migratory jobs.

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As discussed above, Blue Jay will comply with the Consumer Code for Wireless Service of CTIA – The Wireless Association, and applicable South Carolina consumer protection and service quality standards.

Wireless service offers a stable contact method where traditional landline service would be unavailable or not a viable option. Blue Jay's prepaid wireless service is an especially attractive option for low-income consumers because it alleviates customer concerns regarding hidden costs, varying monthly charges and long term contract issues.

Many consumers in South Carolina are faced with making difficult choices about how to allocate and spend their limited resources. The ability to meet their communications needs while at the same time anticipating and controlling the associated costs is critical. Blue Jay's prepaid service offerings and rechargeable mobile phone plans will enable customers to tailor their wireless services to their needs and budgets. The prepaid nature of the service also will provide an alternative for "unbanked" consumers. Further, Blue Jay will not require credit checks, thereby providing an alternative for those low-income consumers unable to obtain credit for post-paid services provided by traditional carriers.

Blue Jay's prepaid mobile calling service packages will provide low-income consumers in South Carolina with a generous number of anytime minutes at low cost as well as 911 emergency calling. These low-cost minutes and services are an invaluable resource for cash-strapped consumers who may be seeking employment and need a means to contact potential employers. The packages are also useful for those consumers that need to stay in touch with children or other family members and ensure access to 911 emergency services when needed. Blue Jay's services will provide consumers with a valuable alternative for obtaining telephone service. This competition, in turn, could spur other service providers to improve their service options.

### V. CONCLUSION

As demonstrated in this Application, grant of Lifeline-only ETC designation to Blue Jay is consistent with the Act, the FCC's and Commission's rules and, in particular, with the Commission's obligation to ensure that such designations further the public interest. Therefore, Blue Jay respectfully requests that the Commission expeditiously issue an order designating the Company as an ETC in South Carolina, as described above, and grant such other relief as it deems appropriate.

### **BLUE JAY WIRELESS, LLC**

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